



## Special Commission of Inquiry into Healthcare Funding

**Submission Number:** 91  
**Name:** Australasian College of Health Service Management  
**Date Received:** 1/11/2023



1 November 2023

Emailed to [Submissions.HFI@specialcommission.nsw.gov.au](mailto:Submissions.HFI@specialcommission.nsw.gov.au)

Dear Commissioner Beasley SC

Thank you for the invitation to submit a response to the NSW Special Commission of Inquiry into Healthcare Funding. The Australasian College of Health Service Management (ACHSM and known as 'The College') is the peak professional body for health managers in Australasia and brings together health leaders to learn, network and share ideas.

The mission of the College is to recognise, develop and support effective health leadership and management to deliver quality services and improve health and wellbeing by:

- providing the best professional development and networking opportunities for health managers
- advocating for and promoting the health management profession
- recognising the achievements of health service managers
- promoting innovation and excellence.

With a member base of over 2500 experienced health managers and leaders, the College plays an integral role in creating, developing, and supporting the managers and leaders of the health system with a view to create better health for all. The knowledge, experience, and skills of our members spans the public, private and aged care sectors, as well as Defence Force Health.

We are passionately committed to finding better solutions together to coordinate and deliver health services to our community, whilst providing safe and flourishing workplaces for the entire health and aged care workforce who deliver this care.

Our submission addressing identified Terms of Reference follows. The College would welcome the opportunity to engage further with the Special Commission either through follow up conversations or participation in public hearings.

In the first instance, please contact the NSW Branch President, Mr Christopher Horn at [REDACTED] who makes this submission as a member of the College executive, and not as an employee of NSW Health.



Yours Sincerely

A handwritten signature in purple ink, appearing to read 'C. Horn', is placed on a light grey rectangular background.

Christopher Horn

President

ACHSM NSW Branch Council

A handwritten signature in black ink, appearing to read 'Neale Fong', is shown in a cursive style.

Prof Neale Fong

ACHSM President

A handwritten signature in black ink, appearing to read 'Catherine Chaffey', is shown in a cursive style.

Catherine Chaffey

Chief Executive Officer

Terms of Reference Identification	Issue/Concern	Recommendation
<p>A. The funding of health services provided in NSW and how the funding can most effectively support the safe delivery of high quality, timely, equitable and accessible patient-centred care and health services to the people of NSW, now and into the future;</p>	<p><u>Clarity of purpose</u></p> <ul style="list-style-type: none"> <li>○ The enabling legislation for the creation of NSW Health in terms of providing "comprehensive, balanced and coordinated health services to promote, protect, develop, maintain and improve the health and wellbeing of the residents of NSW" is the framework for the system.</li> <li>○ This framework requires a dual funding focus on promotion and protection, and we acknowledge that this creates significant demand on the NSW health system, where demand is likely to always outstrip supply.</li> <li>○ There is an entrenched system focus on where care is delivered (see, for example, who receives health funding dollars) and by which group of health professionals, rather than a tangible focus on delivering patient-centred care.</li> <li>○ Patients are falling through the gaps when transitioning between the care sectors.</li> </ul> <p><u>Aged Care service delivery</u></p> <ul style="list-style-type: none"> <li>○ The funding and legislation of aged care by the Commonwealth government and the NSW State administration of the hospital sector has resulted in highly fragmented system. This is exacerbated in regional and remote NSW.</li> <li>○ Chronic shortages of clinicians and competition between aged care and acute for nurses has resulted in bed blocking in country NSW.</li> </ul>	<ol style="list-style-type: none"> <li>1. ACHSM would like to work in partnership with the Special Commission and NSW Health to draw on the experience and expertise of its members to reconsider how NSW health services can best be funded and coordinated.</li>   <li>2. Review the current funding and service delivery model to address these critical issues. NSW Health is already a major provider of aged care services, and the funding model is insufficient. Our members are managers of these services.</li> </ol>

Terms of Reference Identification	Issue/Concern	Recommendation
	<ul style="list-style-type: none"> <li>○ Combined with newly legislated aged care staffing mandates, regional aged care services are being forced to close or cease admissions.</li> <li>○ The financial cost of supporting people in hospitals is more than four times as expensive as residential aged care. The impact of this on people trying to access acute care in hospitals is immeasurable.</li> <li>○ In NSW from December 2021 to June 2022, the number of regional patients awaiting discharge to an aged care facility tripled.</li> <li>○ The severity of these issues is compounded with impending workforce shortages for Registered Nurses. At the peak of the baby boomer ageing cycle, the availability of registered nurses per older Australian will be reduced.</li> <li>○ Attempts at addressing any of these interrelated issues in a siloed manner or without addressing the underlying, causative policy and funding context will be unsustainable and ineffective.</li> <li>○ International research demonstrates that collaboration between aged care and hospitals can dramatically reduce bed blocking, improve service delivery at both levels and save cost to consumers and funders.</li> </ul>	<p>3. Provide workforce modelling and workforce development assistance to regional aged care health services that are struggling to attract or retain the workforce they need to avoid the closure of these facilities. This will have an immediate impact on reducing the bed blocking that is currently arising.</p>

Terms of Reference Identification	Issue/Concern	Recommendation
	<p><u>An erroneous focus on Elective Surgery Wait times</u></p> <ul style="list-style-type: none"> <li>○ The current surgery wait times in NSW are symptoms of greater issues, they are not the causal problem.</li> <li>○ The key strategy to reduce waiting times employed in Australia and NSW so far is to ‘encourage’ more people to go private, which is not an internationally recognised solution.</li> <li>○ <b>The Kings Fund</b> published an excellent review at the end of 2022 which you can download and reference <a href="#">here</a>.</li> <li>○ This review focuses on the supply side, demand side and softer (cultural, environmental and practical) factors that can influence how many are waiting, and for what.</li> </ul>	<ol style="list-style-type: none"> <li>4. Performance metrics in the NSW Health System are currently weighted towards what is deemed most important to the wider public (via the political process). The debate around measurement needs to focus on development of metrics in areas that have a direct influence on the desired outcome measures, like elective surgery outcomes, rather than focusing on wait times as the sole key metric.</li> <li>5. Addressing the true causal factors of issues that impact on health service delivery need to be effectively managed as change management or improvement projects, for sustained and ongoing improvement.</li> </ol>
<p>B. The existing governance and accountability structure of NSW Health, including:</p> <ol style="list-style-type: none"> <li>i. the balance between central oversight and locally devolved decision making (including the current operating model of Local Health Districts);</li> <li>ii. the engagement and involvement of local communities in health</li> </ol>	<p><u>Hospital focus on delivering better quality of care</u></p> <ul style="list-style-type: none"> <li>○ Hospitals could potentially contribute to containing healthcare costs through seeking better quality of care.</li> <li>○ Scaling down hospital cost structures lags a reduction in patient volumes and this is a major risk for the accomplishment of long-term savings. This needs to be factored into new ways of working.</li> <li>○ Data infrastructure and data sharing between providers may facilitate strategies towards appropriate care delivery. Significant steps are already being taken toward this in NSW and there is much more opportunity ahead.</li> </ul>	<ol style="list-style-type: none"> <li>6. NSW Health must be the system lead, providing strategic direction at the macro-state level. A futuristic approach that examines how better quality care can be delivered, within individual hospitals and across hospitals in NSW, needs to be comprehensively undertaken.</li> <li>7. An evidenced based approach should inform the change management approach to achieve this reform. For example, see <a href="#">Improving Performance in Complex Surroundings: A Mixed Methods Evaluation of Two Hospital Strategies in the Netherlands - PMC (nih.gov)</a></li> </ol>

Terms of Reference Identification	Issue/Concern	Recommendation
<p>service development and delivery;</p> <p>iii. how governance structures can support efficient implementation of state-wide reform programs and a balance of system and local level needs and priorities;</p> <p>iv. the impact of privatisation and outsourcing on the delivery of health services and health outcomes to the people of NSW;</p> <p>v. how governance structures can support a sustainable workforce and delivery of high quality, timely, equitable and accessible patient-centered care to improve the health of the NSW population;</p>	<ul style="list-style-type: none"> <li>○ Hospitals can generate change by defining mutual goals with key stakeholders and continuously adapting to dynamic local contexts.</li> <li>○ Reimbursement of hospital care may incorporate incentives for appropriate care to guarantee financial security while production growth decelerates.</li> </ul> <p><u>Effective engagement with First Nations health staff and local Aboriginal and Torres Strait Islander Communities</u></p> <ul style="list-style-type: none"> <li>○ NSW continues to struggle to meet the National Closing the Gap Strategy targets to improve the health outcomes of the First Nations population that reside in NSW.</li> <li>○ Long term and sustainable reforms need to be developed and implemented in partnership with Aboriginal health staff and local communities.</li> <li>○ The capabilities building of Aboriginal health staff (clinical and management/leadership) requires a specific focus to ensure that this workforce is supported to deliver culturally appropriate health care. In parallel to this, recognising the importance of enhancing cultural safety skills in the non-Indigenous workforce can also help to breakdown the barriers to First Nations people accessing appropriate care.</li> <li>○ For example, ACHSM is working in partnership with FWLHD to build relationships with Maari Ma, the local Aboriginal Community Controlled Health Organisation with an aim to locate reciprocal Health Management Internship Program rotations in both of these</li> </ul>	<p>8. Consider the governance and workforce support structures that are in place with which to build the future Aboriginal health workers’ management capabilities across NSW Health and partner organisations, through targeted and culturally appropriate development programs.</p> <p>9. Reconsider how expectations and objectives are discussed and developed, with Aboriginal people at the centre of the terms of reference, and in recognition of what is culturally appropriate. For example, refer to this publication highlighting an alternate approach using applied Indigenous research and learning <a href="#">Building cultural responsiveness in a mainstream health organisation with ‘8 Aboriginal Ways of Learning’: a participatory action research study - ScienceDirect</a></p>

Terms of Reference Identification	Issue/Concern	Recommendation
	<p>organisations, to build understanding and capability to work alongside each other in delivering effective healthcare in this region.</p>	
<p>C. The way NSW Health funds health services delivered in public hospitals and community settings, and the extent to which this allocation of resources supports or obstructs access to preventative and community health initiatives and overall optimal health outcomes for all people across NSW;</p>	<p><u>Funding for Primary Health Care</u></p> <ul style="list-style-type: none"> <li>○ From a systems perspective we are concerned about the funding that is dedicated to support primary health care delivery.</li> <li>○ Research clearly highlights the importance of adequately funding primary health care, to adequately address the socio-economic determinants of health, that negatively impact on the health outcomes of disadvantaged groups across NSW.</li> <li>○ Primary health care funding must encompass preventative health campaigns to achieve mid to long term impact on reducing the strain on the acute care health system.</li> <li>○ The increasing out of pocket costs for the consumer in primary care are having a significant negative flow on effect to the hospital system across NSW.</li> <li>○ There are significant challenges in navigating how the funding can be realigned towards primary health care, as outlined in this research paper - <a href="#">Potential role of general practice in reducing emergency department demand: A qualitative study - PubMed (nih.gov)</a></li> </ul>	<p>10. Until the split funding issue is resolved (Commonwealth fund primary) and state funds community and hospital care, the incentives will never be aligned. Better performance reporting of primary care initiatives and innovation would ensure that the system is delivering better health outcomes.</p> <p>11. Refer to this 2018 <i>World Health Organisation</i> report on <a href="#">Public spending on health: a closer look at global trends</a>, for a global analysis. <a href="#">WHO-HIS-HGF-HF-WorkingPaper-18.3-eng.pdf</a></p>



Terms of Reference Identification	Issue/Concern	Recommendation
	<p><u>Who is the 'right' provider to deliver Primary Health Care?</u></p> <ul style="list-style-type: none"> <li>○ There is capacity within the system to work better, for example, between primary care and acute care.</li> <li>○ PHNs and LHDs are in partnership to effect some of the cross sectoral change and improve effectiveness and efficiency. However, results vary considerably across NSW, and are often relationship and funding dependent.</li> </ul>	<p>12. A better understanding of what drives partnership and what partnership success looks like is required (accountability and measures). See, for example, this publication that explores <a href="#">Reducing Emergency Department demand through expanded primary healthcare practice: Full report of the research and findings.Vol. 1.</a></p>
<p>D. Strategies available to NSW Health to address escalating costs, limit wastage, minimise overservicing and identify gaps or areas of improvement in financial management and proposed recommendations to enhance accountability and efficiency;</p>	<p><u>Consensus on Health Manager Capabilities that underpin Development Programs</u></p> <ul style="list-style-type: none"> <li>○ ACHSM developed the empirically and practically based <a href="#">Health Service Management Competency Framework</a>, to identify the management capabilities required of effective health managers.</li> <li>○ The Framework is used to accredit Health Management curriculums across Australasia, and it would be a highly effective tool to achieve standardisation in NSW program design and delivery to develop common health manager capabilities.</li> <li>○ Historically in NSW Health, there has been variable uptake of the NSW Public Sector Capability Framework to set clear guidelines on the competencies required of all health managers.</li> <li>○ The utilisation of a common framework may assist to achieve a coordinated effort.</li> </ul>	<p>13. Create an opportunity to bring together key education stakeholders in NSW to gain consensus on the core set of competencies that underpin all NSW Health Manager development programs. ACHSM recommends the utilisation of the <a href="#">ACHSM Health Service Management Competency Framework</a>.</p> <p>14. This system wide Management Competency Framework could then be utilised to work in partnership with education providers and HETI to develop micro-credentials that can build immediate capability to address identified gaps and workforce shortages (e.g. Digital Health).</p> <p>15. Achieve standardisation in all health manager role descriptions by determining the minimum level of manager capability required for each role, emulating the approach taken in the NSW Public Sector application of their <a href="#">Capability Framework</a>. This standardisation of capability could then be applied to guide the development of learning goals in the NSW Health Performance and Talent (PAT) system.</p>

Terms of Reference Identification	Issue/Concern	Recommendation
	<p><u>Management and leadership development</u></p> <ul style="list-style-type: none"> <li>○ ACHSM offers a range of <a href="#">Certification</a> and <a href="#">Fellowship</a> programs to health managers that are available to members across Australasia. These programs are recognised as being exemplary by the Australasian health industry.</li> <li>○ In NSW there is also a targeted <a href="#">Health Manager Internship Program (HMIP)</a> that has been operating for over 45 years.</li> <li>○ In recent years it has proven increasingly difficult to secure places to offer interns within NSW health organisations as LHDs have commenced offering their own internship programs (that are modelled on the two year ACHSM program).</li> <li>○ It is apparent that the University sector is approaching individual health entities to conduct these programs, which means that the NSW health system is not maximising its combined buying power to achieve maximum cost efficiency.</li> <li>○ In a competitive talent market, it would be far more efficient to have a coordinated approach to developing the next cadre of health managers for the entire health system.</li> <li>○ ACHSM and HETI are in agreement that there is a place for the management development offerings of both of these industry recognised entities to develop the capabilities of current and future health leaders that will be required in the NSW Health system.</li> </ul>	<ol style="list-style-type: none"> <li>16. Focus on developing the second tier management cohort, rather than hoping they know how to be a c-suite member by “osmosis”.</li> <li>17. Develop achievable and realistic statewide management and leadership development targets that are applicable across the health and aged care sectors.</li> <li>18. Develop and position these programs across the system to achieve consensus of the key development requirements, and with a focus on the shared needs of the NSW health system, as distinct from programs being offered or accessed only by agencies that can either afford or dedicate funding to this development. For example, ACHSM has extensive experience in accrediting health related tertiary curriculum, the College would be well placed to accredit Health Management and Health Leadership programs that are coordinated by individual health entities.</li> <li>19. Ensure equity of access to staff located in regional and remote health services through subsidised program funding, and reciprocal placement agreements that facilitate knowledge development and exchange between metropolitan and regional LHDs.</li> </ol>

Terms of Reference Identification	Issue/Concern	Recommendation
	<p><u>Sustainability and healthcare service coordination and delivery</u></p> <ul style="list-style-type: none"> <li>○ We have an obligation to reduce the environmental impact, and particularly waste, generated in the delivery of healthcare.</li> <li>○ Refer to this WHO webpage that highlights the current impact on our environment-</li> <li>○ <a href="https://www.who.int/data/gho/data/themes/public-health-and-environment">https://www.who.int/data/gho/data/themes/public-health-and-environment</a></li> </ul>	<p>20. Reconsider how healthcare services can work in partnership with local communities and key stakeholders/partners to reduce our negative environmental impact.</p> <p>21. Reference sustainability in tendering and contract processes to ensure that this is a key consideration in the awarding of all NW Health service contracts.</p>
<p>E. Opportunities to improve NSW Health procurement process and practice, to enhance support for operational decision-making, service planning and delivery of quality and timely health care, including consideration of supply chain disruptions;</p>	<p>Nil comment</p>	
<p>F. The current capacity and capability of the NSW Health workforce to meet the current needs of patients and staff, and its sustainability to meet future demands and deliver efficient, equitable and effective health services, including:</p> <ul style="list-style-type: none"> <li>i. the distribution of health workers in NSW;</li> <li>ii. an examination of existing skills shortages;</li> </ul>	<p><u>A fatigued workforce will struggle with change</u></p> <ul style="list-style-type: none"> <li>○ Significant numbers of the NSW Health workforce remain fatigued from COVID-19, which exposed the vulnerability and precipitated the growth of challenges in an already stretched system.</li> <li>○ There are pockets of "brilliance" but these are not shared, and there are significant disparities and nuanced recruitment and retention issues for rural and remote health services.</li> </ul>	<p>22. A focus on appropriate workforce recruitment and retention strategies is necessary and essential to ensure we have the future workforce we require to deliver healthcare throughout NSW.</p> <p>23. There must be a focus on staff well-being and positive corporate culture development.</p> <p>24. Rural and remote health care delivery requires a different focus in respect of attraction and building and maintaining workforce capabilities. For example, ACHSM facilitates a Regional, Rural and Remote Special Interest Group, where staff on the boundaries of the state benefit from networking /</p>

Terms of Reference Identification	Issue/Concern	Recommendation
<ul style="list-style-type: none"> <li>iii. evaluating financial and non-financial factors impacting on the retention and attraction of staff;</li> <li>iv. existing employment standards;</li> <li>v. the role and scope of workforce accreditation and registration;</li> <li>vi. the skill mix, distribution and scope of practice of the health workforce;</li> <li>vii. the use of locums, Visiting Medical Officers, agency staff and other temporary staff arrangements;</li> <li>viii. the relationship between NSW Health agencies and medical practitioners;</li> <li>ix. opportunities for an expanded scope of practice for paramedics, community and allied health workers, nurses and/or midwives;</li> </ul>	<ul style="list-style-type: none"> <li>○ Whilst issues of workforce fatigue and burnout are most evident in clinical and patient facing settings, health service managers have also carried a significant and often invisible burden in managing overstretched health services.</li> <li>○ Work to ensure that frontline workforce is available into the future needs to be reinforced by health leaders and managers who are equipped to ensure an efficient, effective and responsive system.</li> </ul>	<p>learning with managers and leaders across state borders.</p>

Terms of Reference Identification	Issue/Concern	Recommendation
<ul style="list-style-type: none"> <li>x. the role of multi-disciplinary community health services in meeting current and future demand and reducing pressure on the hospital system;</li> <li>xi. opportunities and quality of care outcomes in maintaining direct employment arrangements with health workers;</li> </ul>		
<p>G. Current education and training programs for specialist clinicians and their sustainability to meet future needs, including:</p> <ul style="list-style-type: none"> <li>i. placements;</li> <li>ii. the way training is offered and overseen (including for internationally trained specialists);</li> <li>iii. how colleges support and respond to escalating community demand for services;</li> <li>iv. the engagement between medical colleges and local health districts and speciality health networks;</li> <li>v. how barriers to workforce expansion can be addressed to increase the</li> </ul>	<p>Nil comment</p>	

Terms of Reference Identification	Issue/Concern	Recommendation
<p>supply, accessibility and affordability of specialist clinical services in healthcare workers in NSW;</p>		
<p>H. New models of care and technical and clinical innovations to improve health outcomes for the people of NSW, including but not limited to technical and clinical innovation, changes to scope of practice, workforce innovation, and funding innovation;</p>	<p><u>Funding Model Limitations</u></p> <ul style="list-style-type: none"> <li>○ The balancing act is always to reap the benefits of operating as one system versus the local need for variation and adaptation and accountability.</li> <li>○ The funding model is largely driven by the requirements of the National Health Reform agreement and Activity Based Funding requirements.</li> <li>○ There are limitations to this model as it does not offer flexibility or rewards for developing new models of care.</li> <li>○ This impact is felt most significantly on rural and regional health services who are disproportionately disadvantaged by their size and population.</li> <li>○ As a system we also need to dramatically improve our engagement with the community, our partner organisations and citizens to understand what matters at the early design phase and in the development of monitoring and evaluation measures.</li> <li>○ Co-design and collaboration at every level of the application and implementation of digital health technologies and new service models ( e.g virtual ) is critical. See this presentation for an example: <a href="https://www.kingsfund.org.uk/sites/default/files/goran-henriks-lessons-from-sweden-esther-project-kings-fund-may12.pdf">https://www.kingsfund.org.uk/sites/default/files/goran-henriks-lessons-from-sweden-esther-project-kings-fund-may12.pdf</a></li> </ul>	<p>25. Continue the emphasis on implementing value-based health care that rewards innovation in the implementation of new models of care which improve patients’ experiences of care and the outcomes that matter to them, and simultaneously decreases the reliance on the more expensive acute health system.</p> <p>26. Continue to address low value care and reduce unwarranted variation, and thereby free up resources to invest in high value care, or ensure better use of resources for higher acuity or higher need patients.</p> <p>27. Ensure that codesign and collaboration are key considerations in both strategy and implementation.</p>

Terms of Reference Identification	Issue/Concern	Recommendation
	<p><u>New Models of conceptualising and implementing new models of care are best developed collectively</u></p> <ul style="list-style-type: none"> <li>○ At the recent <b>ACHSM Asia-Pacific Health Leadership Congress</b> held in Canberra from 11 to 13 October, leadership round tables were facilitated with senior health leaders to workshop sector issues facing experienced health executives with diverse experience.</li> <li>○ An example of the depth of this discussion and recommendations is represented in the document included on the following pages which addresses the need for <i>Health System Integration – reorienting systems to consumer-centred care</i> (noting that this is an ACHSM draft document and not for release).</li> <li>○ We have included this document in our submission to highlight the importance of providing collaborative forums where senior health leaders can collectively work through complex health delivery challenges and opportunities for change.</li> </ul>	<p>28. ACHSM would welcome the opportunity to convene additional forums in partnership with NSW Health and the NSW member base, to assist in developing alternate models of care and implementing innovations that best deliver health care to the people of NSW. The College is well placed to facilitate cross-sectoral and regional/metro forums, and to harness the national reach through its network.</p>